



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: January 17, 2007

REPORT NO.: 07-018

ATTENTION: Council President and City Council  
Docket of January 23, 2007

SUBJECT: Second Amendment to the NTC Homeless Agreement

REFERENCE: City Council Hearings Item #337a, October 20, 1998; and  
Item #331, July 19, 2005

REQUESTED ACTION: That the City Council approve the Second Amendment to the Agreement between the City of San Diego and Representatives of the Homeless Regarding the Homeless Assistance Element of the San Diego Naval Training Center Reuse Plan as recommended by the NTC Reuse Committee's Homeless Subcommittee.

STAFF RECOMMENDATION TO THE CITY COUNCIL: Approve the requested action.

SUMMARY:

In 1993, when the Federal Government authorized the closure of the San Diego Naval Training Center ("NTC"), the City of San Diego was recognized as the Local Redevelopment Authority ("LRA") responsible for the redevelopment of the former base. The City established the NTC Reuse Committee to obtain public input and advise the City Council on matters pertaining to the reuse of NTC. The Reuse Committee created a number of subcommittees including a Homeless Subcommittee ("Subcommittee") which was charged with bringing together homeless service providers interested in participating in the closure and reuse of NTC. Public meetings were held monthly for two years during this process.

In balancing the need for economic redevelopment with the needs of the homeless in the community in July 1996, the City Council determined that the Homeless Assistance Element of the NTC Reuse Plan should consist of off-site assistance to the homeless. Parameters were established for further negotiations with the Subcommittee to support a financing and implementation plan that would support up to 150 off-site transitional housing units in Council District 2. In order to more efficiently serve the population in need of transitional housing, the City agreed to allocate \$50,000 per unit for 150 units, equivalent to Seven Million Five Hundred Thousand Dollars (\$7,500,000). In July 1999, the "Agreement Between the City of San Diego and Representatives of the Homeless Regarding the Homeless Assistance Element of the San Diego Naval Training Center Reuse Plan" ("Agreement" or "NTC Homeless Agreement") was executed. In the Agreement the City committed to provide funding for seven transitional housing

projects proposed by members of the Subcommittee. The transitional housing providers identified in the Agreement are St. Vincent de Paul Village, San Diego Youth and Community Services (“SDYCS”), The Salvation Army, Volunteers of America, Vietnam Veterans of San Diego (aka Veterans Village of San Diego), Catholic Charities, RANCHO, Homestretch and Christian Social Concerns. The proposed sources of funding include, but are not limited to, Section 108 Loans, Redevelopment Agency Housing Set-Aside Tax Increment revenue from the NTC and Centre City Project Areas, Federal HOME Funds, and City of San Diego Housing Trust Funds.

The Agreement identifies the Subcommittee as the City’s recognized ad-hoc advisory body to be consulted in carrying out or amending the terms of the Agreement.

Three of the organizations, RANCHO, HomeStretch, and Christian Social Concerns, have either failed to gain nonprofit status or have ceased to exist, which leaves \$1.3 million allocated to those organizations available for reprogramming. The Subcommittee is recommending that the \$1.3 million allocated for these three organizations be reallocated among the remaining groups to assist in funding projects that are near completion or being developed by the remaining providers as shown in Attachment 1.

In July 2005, the City Council approved the First Amendment to the Agreement which authorized the funding of SDYCS’s project beyond the boundaries of Council District 2. Similar to the SDYCS project, it is possible that some of the remaining projects to be brought forward under the NTC Homeless Agreement will be located outside the boundaries of Council District 2. The Subcommittee recommends that the use of funds for projects outside Council District 2 be approved under the proposed Second Amendment to the Agreement.

Although the Agreement stipulated that funding would be provided for 150 beds at \$50,000 per bed, the homeless service providers have completed a total of 73 units of housing equal to 150 beds and have projects in various stages that will add an additional 154 units or 458 beds.

Although the Agreement requires subsequent agreements between the City and the homeless service providers to implement and fund individual projects, the Agreement does not provide for subsequent agreements between the Redevelopment Agency of the City of San Diego (“Redevelopment Agency”) and the homeless service providers where the Redevelopment Agency is the source of funds for the individual projects. The proposed Second Amendment to the Agreement provides for subsequent agreements between the Redevelopment Agency and the homeless service providers to implement and fund individual projects where the Redevelopment Agency is the source of funds for the project.

Therefore, the proposed Second Amendment to the Agreement (Attachment 2) amends the Agreement (i) to provide for the reallocation of unused funds among the participating homeless service providers, (ii) to permit the participating homeless service providers to use their allocation under the Agreement outside Council District 2, and (iii) to provide for subsequent agreements between the Redevelopment Agency and the homeless service providers to implement and fund individual projects where the Redevelopment Agency is the source of funds for the project.

FISCAL CONSIDERATIONS: There is no fiscal impact with this action.

PREVIOUS COUNCIL ACTION: On October 20, 1998 the City Council approved the NTC Homeless Agreement. On July 19, 2005 the City Council approved the First Amendment to the NTC Homeless Agreement.

COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS: The NTC Reuse process was a very public process. Monthly public meetings were held over a two year period, along with numerous subcommittee meetings.

KEY STAKEHOLDERS & PROJECT IMPACTS:

<b>Homeless Service Providers</b>	<b>Affiliate of</b>	<b>Executive Director/President</b>	
Catholic Charities	Roman Catholic Diocese of San Diego	Sister RayMonda Duvall	
St Vincent de Paul	Father Joe's Villages	Father Joe Carroll	
Salvation Army	Salvation Army Sierra del Mar Divisional Headquarters	Doug & Diane O'Brien	
San Diego Youth & Community Services	San Diego Youth & Community Services	Walter Philips	
Veterans Village of San Diego (aka Vietnam Veterans of San Diego)	Veterans Village of San Diego (aka Vietnam Veterans of San Diego)	Al Pavich	
Volunteers of America	Volunteers of America of Southwest California	Gerald McFadden	

Respectfully submitted,

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Maureen Ostrye  
Acting Deputy Director  
City Planning and Community Investment

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Approved: James T. Waring  
Assistant Executive Director  
Deputy Chief Operating Officer for  
Land Use and Economic Development

Attachments: [1. Allocation of Housing Funds Among Homeless Services Providers](#)  
[2. Second Amendment to the Agreement between the City of San Diego and Representatives of the Homeless Regarding the Homeless Assistance Element of the San Diego Naval Training Center Reuse Plan](#)

**ATTACHMENT NO. 1****Allocation of Housing Funds Among Homeless Services Providers**

Agency	Original Allocation	* Reallocation of Remaining Funds	Paid to Date	Outstanding Amount to be Paid
St. Vincent de Paul Village	\$1,000,000	\$150,000	\$1,000,000	\$150,000
San Diego Youth & Community Services	\$1,600,000	\$150,000	\$1,600,000	\$150,000
The Salvation Army	\$500,000	\$150,000	\$361,887	\$288,113
Volunteers of America	750,000	400,000	0	1,150,000
Vietnam Veterans of San Diego (aka Veterans Village)	1,750,000	150,000	1,750,000	150,000
Catholic Charities	\$600,000	\$300,000	\$600,000	\$300,000
RANCHO & contingency *	\$1,300,000			
<b>TOTAL</b>	<b>\$7,500,000</b>	\$1,300,000	\$5,311,887	\$2,188,113

\* funds reallocated to remaining members.